



U.S. Department of Justice

***United States Attorney
Eastern District of Arkansas***

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**CONTACT: Jane W. Duke
United States Attorney
501-340-2600**

**THREE PLEAD GUILTY TO OPERATING AN ILLEGAL GAMBLING
BUSINESS AND RELATED OFFENSES**

LITTLE ROCK – Jane W. Duke, United States Attorney for the Eastern District of Arkansas, Thomas J. Browne, Special Agent in Charge of the Little Rock Division of the Federal Bureau of Investigation, and Phil Durham, Special Agent in Charge of the New Orleans Division of the Bureau of Alcohol, Tobacco, Firearms and Explosives, announced today the waivers of indictment and pleas of guilty to felony Informations by Dana Kuykendall, age 55 of Little Rock, Tony Milner, age 38 of North Little Rock, and Gene Baker, age 60 of Little Rock.

"Mr. Kuykendall's agreement to forfeit the profits of his illegal gambling operation is a victory for those who run legitimate businesses and who work hard and play by the rules," stated Special Agent in Charge Thomas J. Browne. "The FBI will continue to work diligently with our state and local partners to seize the profits of those who disregard the law. The investigation in this case, particularly as it relates to Mr. Milner illegally transferring a firearm, reveals the real danger that can result in allowing such operations to continue, as they can lead to other crimes that affect public safety."

Kuykendall's Information was filed in open court on May 3, 2010, charging one count of aiding and abetting in the operation of an illegal gambling business and one count of money laundering based on a transaction involving over \$10,000 in proceeds from the illegal gambling business. At his plea hearing before United States District Judge Brian S. Miller, Kuykendall admitted to aiding and abetting others, one of which included George Wylie Thompson, in the operation of an illegal gambling business involving five or more persons, and which was in continuous operation for a period of 30 days and violated the laws of the State of Arkansas. Kuykendall also admitted that he laundered proceeds from the illegal gambling business by writing a check for \$23,500 to Mandalay Bay Casino. Pursuant to his plea agreement with the

United States, Kuykendall agreed to file accurate and truthful amended federal tax returns for the past six years and to forfeit just over \$490,000, which the United States had previously seized from Kuykendall's residence and safe deposit boxes. Kuykendall also agreed to pay an additional \$498,000 into the registry of the Court, which the United States agreed to make available to Kuykendall to pay his federal taxes to the Internal Revenue Service, including penalties and interest. Finally, Kuykendall also agreed to pay a \$100,000 criminal fine. The maximum statutory penalty for operating an illegal gambling business is not more than five years imprisonment and not more than a \$250,000 fine, or both. The maximum statutory penalty for money laundering is not more than ten years imprisonment and not more than a \$250,000 fine, or both. Kuykendall remains free on his own recognizance pending sentencing, which has not yet been set.

Milner's Information, filed in open court on May 11, 2010, charged one count of knowingly transferring a firearm to a felon and one count of aiding and abetting in the operation of an illegal gambling organization. At his plea hearing before United States District Judge James M. Moody, Milner admitted to acting as a straw-purchaser of a firearm on behalf of known convicted felon, George Wylie Thompson. Milner agreed that he obtained a Taurus, model Raging Bee, .218 caliber revolver from Sam Baggett and filled out the paperwork for the firearm as if he were the actual buyer of the firearm. Milner agreed that he never gave Baggett any money for the gun. Milner agreed that he went to Sam's Barber Shop at Thompson's request and that he gave the gun to Thompson after having a scope mounted on the gun as Thompson had requested. Milner also agreed that he acted as an agent in an illegal gambling organization and that the organization included Thompson and Kuykendall. Milner admitted that his role in the organization included working for Thompson by reconciling bets and managing parlay cards for Thompson. The maximum statutory penalty for knowingly transferring a firearm to a felon is not more than ten years imprisonment and not more than a \$250,000 fine, or both. The maximum statutory penalty for operating an illegal gambling business is not more than five years imprisonment and not more than a \$250,000 fine, or both. Milner remains free on his own recognizance pending sentencing, which has not yet been set.

Baker's Information, which was filed in open court on May 14, 2010, charged him with one count of operating an illegal gambling business. At the plea hearing before United States District Judge Leon Holmes, Baker admitted to aiding and abetting others in the operation of an illegal gambling business that involved five or more persons, including Thompson, Kuykendall, and Milner. Baker further admitted that the gambling organization was in continuous operation for a period of 30 days, and that it violated the laws of the State of Arkansas. Specifically, Baker admitted to laying off bets with Kuykendall and Thompson. A layoff wager enables a bookmaker to manage the financial risk associated with greater volume on one side of a wager by re-betting some or all of the incoming wagers. According to the United States, one instance indicative of the laying off activity occurred on April 22, 2009. On that date, Baker accepted a \$300 bet on the New York Yankees and then immediately placed a bet on the New York Yankees for \$150 with Kuykendall, another bookmaker in the operation. By doing so, Baker was

able to reduce his own risk on the original \$300 bet. The maximum statutory penalty for operating an illegal gambling business is not more than five years imprisonment, not more than a \$250,000 fine or both. Baker remains free on his own recognizance pending sentencing, which has not yet been set.

This investigation was conducted by agents from the Federal Bureau of Investigation, agents from the Bureau of Alcohol, Tobacco, Firearms and Explosives, and agents from the Internal Revenue Criminal Investigations office. The cases are being prosecuted by Assistant United States Attorney Laura G. Hoey.

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